

TO: House Tax Policy Committee

FROM: Del Chenault

DATE: September 10, 2012

SUBJECT: **SB 335-336**

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On behalf of our client, Verizon Wireless, please find a letter of support for Senate Bills 335 and 336 that will be brought before the House Tax Policy Committee on Wednesday, September 13. The bills provide important clarification to Michigan's tax code toward avoiding burdensome and unnecessary taxation of remotely accessed computer software—commonly referred to as cloud computing.

The bills would define cloud computing as a 'service' and thus not subject to Michigan's sales and use tax. This is an important clarification since, without the change, Michigan businesses would be subject to millions of dollars in additional tax burden.

The bills received overwhelming unanimous support in the Senate and we urge your support in the House.

On behalf of the 2100 Verizon Michigan employees and its 500 retail locations, we look forward to working with you in the near future toward making Michigan a technology leader.

Should you have any question, please contact me at 517.318.3100.